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JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

OUTGOING
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UTAH DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

DATE: June 14, 2005

FAX#: 539-4260

ATTN: Jim Kohler

COMPANY: BLM

NUMBER OF PAGES (INCLUDING THIS ONE): 3

FROM: Ram

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Ram

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United States Department of the Interior

OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT

Washington, D.C. 20240

NOV 28 2000

OPTIONAL FORM 98 (7-90)

FAX TRANSMITTAL

of pages 2

To: <u>Dan G. LITIG</u>	From: <u>Henry Austin</u>
Dept./Agency: <u>UT/DOGM</u>	Phone #: <u>EVI</u>
Fax #: _____	Fax #: _____
NSN 7540 01 317-7368 5099 101 GENERAL SERVICES ADMINISTRATION	

Mr. C. Fred Busch, Senior Vice President
Power Generation Services Development
Coal & Power Generation Services
Savage Industries Inc.
5250 South Commerce Drive, Suite 200
Salt Lake City, Utah 84107

Re: Request for No Value/Fee Determination
Savage Coal Terminal Refuse Pile
Savage Coal Terminal
ACT/007/022
Carbon County, Utah

Dear Mr. Busch:

This is in response to the correspondence and other data you submitted regarding the applicability of reclamation fees to the coal waste material generated from the Savage Coal Terminal to be burned in the waste-coal fired small power production facility operated by Sunnyside Cogeneration Associates (SCA).

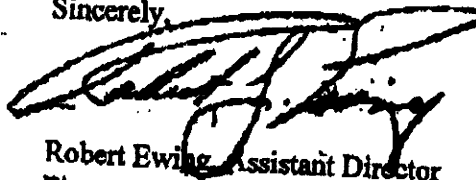
According to the information you have provided, it is our understanding that:

1. the material was or is the by-product of the coal preparation process, and has been found by the Federal Energy Regulatory Commission (FERC) to have little or no commercial value;
2. FERC has certified the SCA operation as a waste burning facility and that certification remains valid;
3. the material is not processed to remove the residual coal from the aggregate material; and
4. the material from the Savage Coal Terminal, which will be burned in the SCA facility, has no market value.

Based on this, and related information, we find that the waste material in question will not be subject to reclamation fees. We must emphasize, however, that this information is subject to review by our staff, and that you must notify us immediately if any of the conditions you cited or representations you made should change. In addition, this finding does not release or in any way circumscribe SCA's or related parties' responsibilities under Title V of the Surface Mining Control and Reclamation Act, and as specified in the permit issued by the Utah Division of Oil, Gas and Mining.

Because the Savage Coal Terminal Refuse Pile is permitted, it will still be necessary to report the tonnage used from the pile on the Coal Reclamation Fee Report (Form OSM-1) that is mailed to operators each calendar quarter. Simply insert the words "no value" on the "Calculated fee" line on the OSM-1. Should you have any questions on these matters, please contact Jane Gray (859) 260-8411 or James Krawchyk (412) 937-2912 of our audit staff.

Sincerely,



Robert Ewing, Assistant Director
Finance and Accounting

bcc: OSM/Subject
OSM/Read (2)
OSM/CIMS
OSM/DCM
OSM/ADF&A Read
OSM/DCM: Jkrawchyk/ja:10-26-00:865-545-4103 ex187

TRANSACTION REPORT

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JUN-14-2005 TUE 04:28 PM

FOR: OIL, GAS & MINING

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